

Lakes governors time to collect further data and assess the environmental impact of such removals. Most importantly, the IJC recommended that decisions regarding bulk exports should remain in the hands of those that are closest to this great resource, the State governments of the Great Lakes Region.

I grew up in Michigan and I know firsthand how important these lakes are to the States around them. They are not just a water resource. They are a way of life; from shipping to hydro power to tourism and recreation. Our Great Lakes communities rely on these water resources to support vital sectors of their economy. That is why I have introduced legislation, H.R. 2973, to not only protect our Great Lakes but also to ensure that those with the most vested interest in their future, the people who live in the Great Lakes States, are the ones who make the decisions about how they are managed.

For the past 15 years, the governors of the Great Lakes States, in consultation with the Canadian premiers, have effectively managed the basin. What we need to do now, and what my legislation will do, is impose a moratorium on bulk exports to give the governors the time that they need to effectively evaluate how and if any bulk exports from the Great Lakes basin should proceed.

We do not want to transfer management of the Great Lakes from the governors to the Federal Government. That is not the direction we should take.

Lake levels are at an all-time low. The Washington Post recently reported that Lake Superior is at 9 inches below its long-term average. Michigan and Huron were 18 inches below average. Erie was 9 inches below and Ontario was 5 inches low.

Now is the time to act on this matter. Prudent management of our natural resources means looking ahead and planning for the future. As we begin this century, we must be responsible stewards of our environment, to ensure that our children are not denied the resources that we did are able to enjoy.

Mr. Speaker, I urge members of the Great Lakes States and all Members of Congress to join me in following the IJC's report and enacting H.R. 2973.

□ 2000

A BEGGAR'S LIFE: U.S. POLICY MUST BE SOMETHING MORE THAN BEGGING AT OPEC'S DOORSTEP

The SPEAKER pro tempore (Mr. PEASE). Under a previous order of the House, the gentleman from Kansas (Mr. MORAN) is recognized for 5 minutes.

Mr. MORAN of Kansas. Mr. Speaker, 3 years ago this month I made my first speech on the House floor, highlighting the importance of domestic oil produc-

tion and our dangerous reliance upon imported oil. At that time oil was just under \$15 a barrel and gasoline was around 80 cents a gallon.

Within the following 12 months, the price of crude would fall to \$7.75 per barrel for western Kansas crude and would remain under \$10 per barrel for most of the next year. As a result of the dramatic price decline, since 1997 more than 136,000 wells were shut in and more than 41,000 jobs were lost in the oil and gas industry in our country. This amounts to 136,000 wells and 41,000 people not producing oil to meet our country's energy needs.

It was during that time that I introduced legislation aimed at reducing the cost of production for independent oil and gas producers. The bill seeks to boost domestic production by lowering the tax burden on small producers, increasing the credit for advanced oil recovery and calling for a strategic plan that would include additional research and development on secondary and tertiary oil recovery to address our national security needs.

While the focus now is on the cost of energy paid by the American consumer, the solution for today's consumer is the same as the solution for the problem of the independent oil and gas producer. We must encourage production in our domestic industry and limit our dependence on foreign supplies of petroleum.

The U.S. is currently importing around \$100 billion of oil a year, one-third of our country's \$300 billion trade deficit. High oil prices are a burden that we all bear. Kansas is a transportation-dependent State with normally cold winter weather. Whether it is the Kansas farmer preparing his field for spring planting, the trucker hauling wheat to the elevator, or the Kansas City commuter on her way to work, we all pay when our dependence on foreign oil becomes too great.

While we may be upset about the current situation, we cannot say that it comes as a surprise. In the last 7 years, U.S. oil production has fallen by nearly 20 percent, while oil consumption has risen by almost 15 percent. During the 25 years since the last oil crisis, our reliance on foreign oil has increased from 37 percent to nearly 60 percent today. America is now at its lowest oil production since World War II. We are importing 10.5 million barrels of oil a day, and that pattern is expected to only get worse. The Department of Energy predicts that by the year 2010, a mere 10 years from now, we will import nearly 80 percent of our energy needs.

Today's higher crude prices alone are insufficient to increase domestic production, particularly in the short run. Kansas producers have lost much of their equity and find it very difficult to convince lenders to take the necessary risks to explore and develop new leases. When prices are dependent upon the ac-

tions of OPEC rather than only free market forces, the ability to take those risks necessary to find and produce new sources of oil are limited.

Does the small Kansas producer invest the necessary money, not knowing what the world price will be tomorrow? In Kansas the average daily production is 2.2 barrels per day per well. The cost per barrel is very high and the price received from that barrel determined by foreign suppliers. The stability which comes from greater control of our own destiny through increased domestic production is what is required.

The current situation is a clear signal for congressional action. The U.S. is producing less and less oil. Oil rigs and production have fallen by 77 percent since 1990. It is our obligation in Congress to develop tax policies, regulatory policies, and research funding that will allow us to raise domestic production to meet the future demands of the U.S. economy.

Our strategy for dealing with our future energy needs must be something more than simply begging at OPEC's doorstep.

PUTTING THE FEDERAL BUDGET IN PERSPECTIVE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Ohio (Mr. KASICH) is recognized for 60 minutes as the designee of the majority leader.

Mr. KASICH. Mr. Speaker, I thought that I would take a little bit of time, uninterrupted time for a while, to kind of run through what we will anticipate happening this week on the presentation of the budget that will occur later in this week.

I think that it is very important that we try to put everything that we are going to do here this week in some kind of a perspective. It is very important that we take a look at where we were and where we are today, because rarely in regard to this Federal Government do we usually have a success story. It is very rare that we have success stories as it relates to Washington or the actions of the Congress, but I am a believer that whenever you have one, you ought to tell that story, because there are a lot of people that become very cynical, a lot of young people who have very little faith in this system; and it is important to say that, while we as citizens ought to frankly be critical of our government, that is a healthy thing, it limits the size and the power of government, there are times when we ought to recognize the good things we do, and we ought to celebrate some of them.

That is not to say that government does not have its role. It does. But government's role ought to be limited. It ought to do things that cannot be accomplished in the private sector; and

whatever it does do, it ought to do effectively, and we ought to have respect for it.

I think what has happened in our country over the period of the last 50 years is that government has tried to be all things to all people. Whether you want to be all things to all people in government or whether you want to be all things to all people as the manager of a baseball team, you cannot do it. You have to figure out what you want to concentrate on, because if you do not concentrate and have a few priorities, you will not do anything well.

I think there is a growing perception in the country, and it is a reality, that the Government does too many things and not enough things well.

Back when I first came to Congress in 1983, I was sworn in shortly after the beginning of 1983, if I were to have told you in those years that we were going to actually have a balanced budget, I would either have had to have been running for President making another promise that would not be fulfilled, or you would laugh at me.

In fact, just a short period of time ago, all the way in 1997, we were looking at deficits that were going to be in the hundreds of billions of dollars, adding to an already very large national debt, both a national debt comprised of money that we owe ourselves, our IOUs to programs like Social Security, plus raising the publicly held debt, which is the amount of money we owe to Americans who gave their money in exchange for bonds, government bonds that they held. This national debt was skyrocketing and our deficits were going up by hundreds of billions of dollars every single year.

Well, in 1997, after a long and hard fight that actually started before 1995, but when the Republicans finally took control of the House of Representatives and the United States Senate, we made a commitment that we were going to balance the budget by 2002. We said that we needed to stop the flow of red ink, that we needed to do this because our children really should not be saddled with these tremendous debts. I think that most Americans said that is exactly right; it is about time that we get ourselves in a situation where we are not going to ring up more and more debt.

When we came to power in 1995, we said that we would do whatever it took to balance this Federal budget, and we went through a lot of rocky roads, as I think everyone here knows; and it was a difficult process. We had to say as politicians that we were going to put our children and the economic strength of the country first, and the business of vote buying by using public funds, we were going to turn from that process.

There is a story, I do not really know if it is true, but there is a story that John Kennedy when he was running for public office was passing out silver dol-

lars to the children, and somebody said, Well, Mr. Kennedy, if you get elected, you will not have to pass your own money out anymore; you will be able to use the public's money.

What politicians did was refuse to prioritize, just spend willy-nilly, trying to make every constituent group happy, without exhibiting proper leadership. Leadership is the ability of somebody to accept the notion that they may not be popular, but that they will in fact do what is in their heart and in their minds as the right thing and the moral thing. That is leadership.

So in 1995 and 1996 we had a very tough fight around here with the President of the United States, and in 1997 we sat down at the table with the President and we said that we really wanted to balance this budget. You remember how tough it was. It even involved a closing of the Government, which was really a statement. It was not about closing the Government; it was about the determination to try to change the course of the Government and try to change the course of Washington.

Last year a number of my colleagues came to me, foremost the gentleman from California (Mr. HERGER), who made an argument that it was just not good enough to balance the budget, because after that 1997 budget agreement, we, for the first time in a generation, actually were able to balance our books, the number of dollars flowing into the Government did not exceed the number of dollars flowing out.

So what the gentleman from California (Mr. HERGER) said was that was a great victory, but what we need to do is we need to stop borrowing from the Social Security surplus to fund the other programs of the Federal Government; that those surpluses of Social Security should either be used to pay existing benefits, or to be held in a way in which it would retire some of the national debt, not to be committed to other spending programs. It seemed like almost an impossible task.

Well, in last year's budget we actually constructed a budget that, for the first time in decades, in fact for the first time in perhaps even my lifetime, if I went back and checked it, and I do not want to be inaccurate on this, we did not borrow from Social Security to fund the other operations of the Government, which is amazing.

In fact, we used these surplus Social Security revenues, rather than committing them to other government programs that would have a life and require funding, we actually used that surplus to pay down some of the publicly held debt, for the first time, as one television commentator told me last night, since Harry Truman. A pretty good accomplishment.

We are going to come with a budget this year that we will be presenting

this week on the House floor that will, for the second year, not take one single dime of the Social Security surplus and use it to fund any other programs of the Federal Government. In fact, what we will do with the Social Security dollars that flow into our treasury is we will use them first and foremost to pay the benefits of our Social Security recipients. For those extra dollars that are there, that surplus that is being collected at the present time, we will use that surplus to pay down \$1 trillion of the publicly held debt.

Now, I know there is this very popular show on television about wanting to be a millionaire. Whenever they have that show on television, they put a number up there about what the contestant is playing for. It gets to be \$50,000, \$10,000, I have not really studied the program. But people cheer. They cheer wildly when a person has an opportunity to go for \$250,000.

Mr. Speaker, we are going to take the bonds of the American people, or all the bondholders, and we are going to pay those bondholders off, and we are going to retire the publicly held debt by \$1 trillion. To me it is astounding. Had somebody told me just 5 years ago that not only would we be in balance and not only would we stay out of Social Security, but we would pay down the publicly held debt by \$1 trillion, I am an optimist, I would have said great; but I would not have expected it to happen.

What we will do in this Congress is to lock this money up so that it will either go for Social Security benefits or it will go to pay down debt.

On a personal note in this area, that in and of itself is not going to fix Social Security. What we are having happen in the country is the number of baby boomers who are going to retire are going to greatly exceed the number of people who get the benefits or the number of people who work to support those retirees.

□ 2015

See, right through, there are a zillion baby boomers supporting their parents; but in a few years when the baby boomers retire, the baby boomers did not have a lot of kids, so we are going to have a lot of baby boomers retire with very few workers, and the numbers will not add up, which is why it is essential that we ultimately come up with a significant solution to Social Security; and the quicker that we develop the solution and implement it, the better off we are.

Mr. Speaker, I have my own proposal that I would encourage my colleagues to examine. It would create private accounts; it would say that the Federal Government, along with a private board, would screen investment options, just like Federal employees have, and one could put one's money into approved programs of either

stocks or stocks and bonds or just bonds; and using that concept, we would be able to solve our Social Security problems. It would require some sacrifice on the part of baby boomers about my age, but the Social Security system would be secured forever, and our children would be set free to be able to have more control over their retirement.

But the bottom line is, regardless of what plan we implement, we are going to have to deal with Social Security, and we are going to have to deal with it soon, because if we do not, we are going to have a meltdown. Before we actually implement that program, we want to protect all of those Social Security dollars so that they do not get committed to any other program and so that they be used just to fund Social Security and to pay down the public debt.

Secondly in this budget proposal, we are going to preserve and strengthen Medicare. Now, we do not know precisely what that program is going to look like. As my colleagues know, there is great discussion here about the issue of prescription drugs. I happen to believe that our seniors must have access to prescription drugs. Many of our seniors, God bless them, have the resources to purchase their own prescription drugs. So we ought to have a program that, in fact, means tests and offers this prescription drug benefit to the poorest of our senior citizens. Why is it so important? Well, there probably is not any other segment of our population that would respond as vibrantly to the opportunity to have prescription drugs as our seniors.

There are modern medical miracles. My wife and I, Karen, have two little children, two little baby girls, little Emma and little Reese. We love them and they are special, and of course we would do everything in our power to make sure that they can have the modern medical miracles that are available to children. But in this case, with Medicare and prescription drugs, we think that our seniors will be able to greatly respond to prescription drugs, in fact maybe even saving money, because they will be healthier. In fact, some surgeries can be avoided if, in fact, prescription drugs are available.

We do not know precisely what this program will look like. We do not know precisely what this program will cost. We do believe that any prescription drug program should be accompanied by an additional reform program for all of Medicare. Medicare is in final difficulty. We are going to have to rescue it. But we believe that any reform program ought to be coupled with a prescription drug program. We believe it will strengthen Medicare and will help our seniors. That will also be provided for in this budget agreement; and as I have already mentioned, we will retire the public debt by 2013, but begin that

by paying down \$1 trillion in the publicly held debt.

Now, that would be a pretty good budget in and of itself. Keep our mitts off Social Security, protect it, strengthen Medicare, reform Medicare, provide a prescription drug benefit to our poor seniors and retire \$1 trillion of the public debt. That would be a pretty good budget in and of itself. But we are not done there. We have some other things that we are doing in this budget, and one of the most significant things that we are doing is that we are cutting taxes.

Now, who are we going to cut taxes for? Well, first of all, the amount of tax cuts that are provided for in this budget proposal will, we think by the end of this summer, be in the vicinity of \$250 billion in tax cuts for Americans. Who would it affect? Well, we do not know who all the people are who are going to be affected, because all of the tax-cutting measures have not been designed yet, but we do know who we are starting with.

When a couple gets married today, many Americans experience a marriage penalty. If they were not married, they would pay lower taxes than when they get married. We think that that is really awfully silly, and I think probably 99 percent of all Americans feel that way. The fact is that this House has already acted to ease the penalty on married couples. We believe it ultimately ought to be eliminated. This budget bill that we bring up this week would provide the resources to ease the penalty on marriage. After all, the family, the health of the family, reflects the health of the society.

Secondly, we believe that family farmers, small business people, anybody who works as many hours as many of our entrepreneurs work, that these folks ought not to be penalized whenever they die. Today, when one dies, one has to visit the undertaker and the IRS on the same day; and they are going to take 55 percent of whatever it is that one owns.

Now, say one owns a family farm or, like my good friend out in Columbus, Max Peoples at the local pharmacy. Max works like you would not believe. You go in that store day or night, he is in there, he is working hard. Why would we, if something were to happen to Max and he wanted to pass this on to his family, why would we want to take 55 percent of his worth and give it to the Government. Are you kidding me?

Mr. Speaker, I would say this to my colleagues. Life on earth is short. As one philosopher said, the minute we get to be good at playing our instruments, it is time to put them down.

Well, I think it makes all the sense in the world to pass those instruments on to our children so they can continue the symphony. And the fact is, whether it is a small business, all small busi-

nesses, or anybody who has worked hard for a living, at the end of their lives, they ought to be able to pass what they have on to their children so that their children can have a leg up, so that their children can be the beneficiaries of their parents' hard work.

For seniors, we believe this budget ought to reflect the opportunity of seniors to work longer and harder. Right now, if you are a senior citizen, you want to be independent, you want to work, they punish you by taking away your Social Security benefits. My opinion is that senior citizens are the greatest untapped resource we have in America. Youth brings energy and vitality; age brings wisdom. Frankly, I have seen a lot of wonderful people who have wisdom coupled with energy and vitality working even into their 80s. We want to reward our seniors. We do not want to say that if you want to be independent, you want to work a little bit, you want to have a job, we are going to punish you by cutting your Social Security benefits. This budget would allow us to fund the program that this House has already passed that would ease this penalty, this earnings test that we have imposed on senior citizens.

So for families, for small businesses, for any hard-working American, for our senior citizens, this bill would provide the resources to provide some tax fairness. But there will be other provisions as well in this bill, provisions that may provide for the ability to collect funds in an IRA account that can be used to help educate one's children, either in primary or secondary, or in college.

It could provide for cuts across the board. The marginal rates in this country are too high. We provide a significant amount of money for tax relief; and in fact, there has been discussion about whether this bill gets very close to being able to accomplish a lot of the ideas that Governor Bush has laid out in his tax cut program, and I would argue that this bill does. This is about \$250 billion in tax cuts when we add it all up, as compared to about \$300 billion in the Bush tax cut plan over the same period of time.

We are about \$50 billion away from where George Bush is. And I must tell my colleagues, \$50 billion away from a pot of money that represents, over 5 years, \$10 trillion, with a reforming President coupled with a reforming Congress, we will not only be able to provide the tax relief that Governor Bush talks about, but we may be able to even do him one better. Mr. Speaker, we believe this is a very good down payment.

Now, people say that the American people do not want tax cuts. Well, I can tell my colleagues this: if you do not want to have a tax cut, I am going to give you one. If you do not like it, just send it to me and we will send it to

Children's Hospital. How would that be. Or you take your tax cut and give it to somebody who does not have much. That would be a good idea as well. But I also believe that the reason the American people are a little reluctant for tax cuts at this point is that they are a little worried that somehow tax cuts would erode the solvency and strength of Social Security or not provide for Medicare. As I have shown my colleagues tonight, we cannot only have very, very significant tax cuts, well over several hundred billions in tax cuts; but we can also preserve and protect Social Security, and we can strengthen Medicare and add a prescription drug benefit and even pay down the \$1 trillion of the public debt.

I know what my colleagues are thinking. The only thing missing is a chicken in every pot. Well, I am going to get to that chicken in every pot, because there are a couple of other things that this budget does. We are going to work to restore the American military. I do not like to say this, because I am not particularly keen on a partisan comment, and it is not meant in a partisan way, but I think President Clinton has not been able to pick and choose where we should be involved as a Nation around the world. Too often he has used his heart and not his head, and we have so many entanglements around the world that it is not only eroding the fundamental fiber of our defense structure, but I think over time will diminish our ability to be effective no matter where we are.

At this point in time, we believe we have to put more money into defense. We also believe that over time, with an opportunity for a new President, that maybe we will be in a position of where we can begin to define our national interests more effectively, to be able to husband our resources, to be able to act out of the best self-interests of the United States. In the meantime, we are going to put more money in defense. It is the most important job of the Federal Government.

In addition to that, we are going to strengthen the programs for education, focusing primarily new dollars on special education, a mandate from the Federal Government; and we want to cover more of that mandate. We ultimately want to pay for all of that mandate on special education, but we believe that additional dollars for education ought to go to the classroom. There ought to be maximum flexibility for schools to be able to provide for the most effective education for young people. We also strengthen basic science programs in 2001.

Basic science research and the National Institutes of Health are gems. They are gems in this world as it reflects the operation of government. The National Institutes of Health have been increased significantly since the Republicans have had a majority in the

United States Congress. The amount of dollars spent for all of our major diseases, from Alzheimer's to cancer to AIDS to heart research, has all been dramatically increased, as it should be, because the Federal Government can provide a significant boost and a significant leverage. Coupled with our universities and our hospitals, we know what the potential is for discoveries that can ease the anxiety and salve the wounds of people who experience these diseases. We think it is proper.

Mr. Speaker, concerning basic science research, I know we think sometimes that there are politicians that invented the Internet, but frankly the Internet was invented through the activities of the Department of Defense; and the fact is, basic science research is very important to our ultimate ability to develop meaningful science projects that also improve our lives. That is not picking and choosing winners or losers, it is really saying that there is some basic fundamental research that can be done by the Government that can be applicable by the private sector. We think that strengthening education, strengthening the National Institutes of Health, strengthening science and, I hope in the process, providing full funding for residents and interns in our Children's Hospitals can be accomplished in this budget; that we can work to restore America's defense, that we will, in fact, have tax fairness and tax reform for families and small business and senior citizens, and just everyday people who go to work and that we can pay down a trillion dollars in the publicly held debt so that Karen and my little girls, Emma and Reese, will have a little less burden on their backs.

□ 2030

By the way, they are only a little bit over 8 weeks old, and I get the sense they worry about it once in a while. We work to preserve and strengthen Medicare and provide, we hope at the end of the day, a prescription drug benefit, and we will keep our hands off of Social Security.

I think this is an outstanding blueprint for where we ought to head with the very first budget of the new millennium. I look forward to this House being able to debate and ultimately pass what I think is something that Members of the Congress can feel good about, that we can be good stewards about.

Is there too much spending? Without any question. I would like to have a little less. I would like to have a lot less, actually. But I think that, all in all, with the struggle that we have between conservatives and liberals, people who want to be tight fist and those who want to be big spenders in a very small House that is separated by very few numbers, I think we have put together a program here that can work, that can

pass, and that can be a real benefit to the American people.

Mr. Speaker, I yield to the gentleman from Connecticut (Mr. SHAYS), from the Committee on Budget who I have served with for about a dozen years on that committee.

Mr. SHAYS. Mr. Speaker, I thank the gentleman from Ohio for yielding to me.

As the gentleman from Ohio (Mr. KASICH) was talking, I could not help but remember the first time he put forward a comprehensive amendment to get our country's financial house in order in 1989. There were about 38 Members who joined him. But each year, more and more Members were persuaded that, not only were his ideas good but that ultimately he was going to succeed. So my colleagues can imagine the joy I felt in 1995 to see the gentleman from Ohio become the chairman of the Committee on Budget.

Then to have people like the gentleman from Minnesota (Mr. GUTKNECHT), who is here with us, a new Member, to start that effort that resulted in our controlling the growth of spending, slowing the growth of entitlements, and being able to move forward with tax cuts.

I was thinking when the gentleman from Ohio (Mr. KASICH) went through this list, preserving and protecting the Social Security, and preserving and strengthening Medicare with prescription drugs, and retiring the public debt by the year 2013, and promoting tax fairness for families, farmers and seniors, and restoring America's defenses, and strengthening support for education, science and health care, I was thinking we could not do that if it were not for the fact that we put forward a balanced budget agreement.

In the year 1998, literally 30 years after the last time, we had more money coming into the Federal Government than going out; and then 1999, more money coming in than going out; in the year 2000, more money coming in than going out.

Then last year is the first time since 1960 that we, in fact, are not spending the Social Security Trust Fund. We did not spend any of the Social Security Trust Fund last year, and we are not going to spend any this year. We are not going to spend any in the budget that we are going to be voting on.

So I am just extraordinarily grateful that the gentleman from Ohio persevered in this effort and that we are seeing the result. Now we are looking at a possibility of \$4 trillion of surplus in the next 10 years. We are debating \$4 trillion. In some cases, it presents a wonderful opportunity, obviously, but a scary one as well because so many Members want to spend it.

Of that \$4 trillion, \$2 trillion of that money, \$2 trillion of that money is Social Security reserves; and the fact is that \$2 trillion is protected. We are not

going to spend Social Security reserves.

We are going to take that \$2 trillion in the next 10 years, and we are going to set it aside and pay down debt. Public debt is going to be reduced by \$2 trillion. It is not going to grow at the rate it was growing. We are cutting down \$2 trillion in public debt, but not spending Social Security reserves on more programs.

But it leaves, of that \$4 trillion, we still have \$2 trillion left. The President wants to spend \$1.3 trillion of it, kind of an automatic pilot, we just let all the budget keep going up, not making choices, just let them all go up.

What we want to do is we want to pay down more debt. We want a sensible tax cut in the next 5 years. We are going to see \$200 billion set aside for tax cuts. We started that process already. We started that process with deciding that we simply could not justify that one could live together as a couple, not be married, but the moment one becomes married, one paid \$1,400 more in taxes.

So instead of having a tax cut that included a lot of items, we are isolating those particular issues, and this is an issue of fairness. We have set aside a tax cut opportunity of \$200 billion in the next 5 years, and some of that will help us eliminate the marriage penalty tax, which passed the House overwhelmingly with even support on both sides of the aisle.

Then we dealt with the issue of the incredible circumstance that, if one is on Social Security and one works and one makes more than \$17,000, one actually pays a penalty. If one now makes, say, 3,000 more, for every \$3 more above \$17,000, one loses \$1 in Social Security. So if one makes \$20,000 trying to make ends meet and not have one's children support one or the government, one is paying taxes on that money. But, in addition, if one made \$20,000, one would be losing Social Security. If one made \$23,000, one would lose \$2,000 in Social Security. We passed a bill that eliminates that penalty because we want our seniors to work. We have a need to have people out in the workforce. We want them to be a happy and vibrant part of the community and not punished if they work.

So we are going to pay down more debt with the \$2 trillion that is not Social Security money, and we are going to have tax cuts. Then we will have some necessary spending.

The gentleman from Ohio (Chairman KASICH) pointed out defense is the primary responsibility of the Federal Government. We are not going to ignore that. But he is also pointing out we are going to take a harder look at how we save money and spend it better in defense.

We are going to have some educational need, not Federal educational. We are not federalizing education. We

are going to provide assistance to communities and the States to do a better job in education with local decision making. We are going to deal more with health care and sciences.

So it is an exciting time for us in Congress. Really, what we want on Thursday are for common sense Members of Congress to vote for this budget agreement, this budget resolution. It should include Republicans and Democrats.

There is no reason why common sense Members on both sides of the aisle would not want to preserve and protect the Social Security surplus, would not want to preserve and strengthen Medicare with prescription drugs, would not want to retire the public debt by the year 2013, would not want to promote tax fairness for families, farmers, and seniors, and businessmen in general, and would not want to restore America's defenses, and would not want to strengthen support for education and science.

I just would conclude this part by saying that we saw this difference when a whole number of new Members came in. The gentleman from Minnesota (Mr. GUTKNECHT) is a prime example of that and said we are not going to continue what happened in the past. They have made all the difference.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. PEASE). Under the Speaker's announced policy, the balance of the hour reserved for the majority leader has been reallocated to the gentleman from Connecticut (Mr. SHAYS).

Mr. SHAYS. Mr. Speaker, I yield to the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Speaker, I thank the gentleman from Connecticut for yielding to me.

As the gentleman from Connecticut was speaking, I remember the first time that I spoke on the House floor in January of 1995. We were standing at these tables, and we had the very first bill in the Contract with America, the Shays Act. The gentleman from Connecticut humbly does not like to call it the Shays Act, but I remember what things were like when I came here.

The first thing we did is we said Congress is going to have to live by the same laws as everybody else, now back in Minnesota, and I am certain even in Connecticut.

Mr. SHAYS. Mr. Speaker, the gentleman from Minnesota did not have to say "even." Especially in Connecticut.

Mr. GUTKNECHT. Mr. Speaker, especially Connecticut, all over the country, outside of the Beltway, that made perfect sense. But here in Washington, that was a revolutionary idea because Congress for many years had exempted itself. They put a line at the end of many of the bills that nothing in this statute will apply to the Congress and, in many cases, sometimes even the entire Federal Government.

So I was thinking about what things were like when I came here in November of 1994 after that election and then as we were sworn in in January of 1995 and how much different things are today. I think to the average Member of Congress, and certainly to the average American, it is easy to forget where we were then and where we were going then.

I remember that, shortly after we came, the Congressional Budget Office gave us a study and a report. They said, if Congress does not get serious about balancing this Federal budget, that by the time children being born today reach middle age, and I hate to say it, I am getting painfully close to that, where some people might call me middle age, but by the time the children today grow to middle age, the Congressional Budget Office told us that they will be paying a Federal income tax of over 80 percent just to pay the interest on the national debt. That was worse than disgraceful. I mean, there was something fundamentally immoral about this idea that we could continue to borrow and, in effect, tax the next generation.

Many of us said in the original election in 1994, we had one priority. It was to balance the Federal budget, to put the Federal budget in order, and leave our kids with a legacy and a future that would not be saddled with enormous Federal taxes just to pay the debt. That is where we were in 1995.

We laid out a plan. Thanks to the gentleman from Minnesota (Mr. GUTKNECHT) and the gentleman from Ohio (Mr. KASICH) and so many other courageous leaders in the Congress at that time, many people, and again we tend to forget a lot of people said, well, it cannot be done. You cannot balance the budget in 7 years.

In fact, sometimes even some people down at the other end of Pennsylvania Avenue were out there saying, well, no one really believes you are going to balance the budget. But the interesting thing about the power of a thought, of an idea, of a belief is that, is how quickly it begins to take root, and other people start to come along.

There was a small band originally. It started back with the gentleman from Connecticut (Mr. SHAYS) and the gentleman from Ohio (Chairman KASICH) many years ago with this idea that, yes, we can balance the budget; yes, we can apply fiscal restraint to Federal spending.

I was also reminded, though, the other day, and my kids are all grown, but the gentleman from Ohio (Mr. KASICH) was talking about his youngsters, and I remember reading to my kids when they were smaller. One of their favorite stories, one of my favorite stories was a story of the Little Red Hen. I just want to repeat just how that story works, because I think it is apropos for what we are doing today.

First of all, the Little Red Hen asked all the other animals in the barn yard, who will help me grow the wheat? The dog said, I cannot. The cat said, I will not. The cow said, I cannot. The pig said, I will not. So she went ahead and grew the wheat herself.

Then she asked, when the wheat was grown, who will help me grind the wheat? Of course the cat said, I will not. The dog said, I will not. The cow said, I will not. The pig said, I will not.

Then it was time to bake the bread. She asked, who would help her bake the bread. Same thing. All the other animals said either they could not or they would not.

But it was interesting, once they finally had the bread, once the Little Red Hen had the bread, then they all wanted to help eat the bread.

Do my colleagues remember that story? I was thinking about that story the other day.

Now, we are going to hear a lot of debate when this resolution hits the floor about what are we going to do with the budget surplus. A lot of the same people who were not very eager to help us create the budget surplus, in fact, I was thinking, parenthetically, about all those negative ads we saw particularly in 1996 about these draconian cuts to Medicare, and we were going to no longer have any student loans, and school lunches will be a thing of the past, and children will grow hungry, and old people will be thrown out in the street. What we really did, we did eliminate 600 Federal programs. That was an amazing accomplishment in and of itself. But some of the biggest complaints were that we actually slowed the rate of growth of Federal spending.

I want to just share this with other Members of the House and anyone else who may be listening, because I think this is really an amazing accomplishment. In the budget, we are proposing for next fiscal year the rate of increase in Federal spending will slow to 2.2 percent. Let me put that in real numbers. Last year or the fiscal year we are in right now, we are spending \$1,780 billion dollars. Now, that is a lot of money. What we are proposing to spend next year, total, is \$1,820 billion dollars. That works out to a 2.2 percent increase in total Federal spending.

Now, put that in context to where we were a few years ago when the Federal budget was growing up at a rate of 6, 8, 10, 12 percent per year. It was not that many years ago when Federal spending was going up double, triple, and even quadruple the rate of inflation.

Today to take that 2.2 increase in Federal spending in next year and put it in real context, according to the Bureau of Labor Statistics, the average family budget this year will increase at 4.9 percent.

So as the gentleman from Ohio (Chairman KASICH) was talking about, in terms of historical terms, next year,

the Federal budget will grow at less than half the rate of the average family budget. What is the real benefit of that? Well, the biggest benefit, and my colleagues have talked about it, is that over the next 5 years we are going to pay down a trillion dollars' worth of debt held by the public.

□ 2045

And what does that mean? It means lower interest rates.

Now, Chairman Greenspan my continue to sort of tweak the interest rates a little to slow the economy, but the beauty is that interest rates are much lower than they would have been. And as we go forward, there is no driving force coming from the Federal Government because we are going to the treasury markets and borrowing an extra trillion or \$2 or \$3 trillion. And as long as that happens, real interest rates will be lower. And that means that more families can afford homes, more families can afford cars, more families can afford refrigerators, and it means that we are going to have a stronger economy, relatively speaking, than we would have had.

Finally, let me say, at the end of the day, when we talk about the budget, and I know people's eyes start to glaze over when we talk about the budget, because we talk in terms of billions and percentages and it is numbers and it is all of that, but at the end of the day what it really is all about is generational fairness. In fact, coming from the Midwest, where most of my relatives were farmers and most of my friends and neighbors are no more than one or two generations removed from the farm, it has almost been historic.

Everybody coming from a farm area understands this. This was really part and parcel of the American Dream. It was the American Dream to one day pay off the mortgage and leave the kids the farm. What we had been doing, or what previous Congresses had been doing is selling the farm and leaving the kids with the mortgage. That was just fundamentally immoral, and it really flew in the face of generational fairness.

The great thing about this budget is that it guarantees that we are going to take care of my parents, who are both on Social Security and Medicare. We are going to make certain they can have the quality of life they are entitled to. And it is also going to be fair to people our age, people who are working, people who have kids in college. Because we are going to let them keep a little more of their money. And particularly in couples where there are husbands and wives both working. But, finally, by beginning to pay down some of that debt, we are going to leave our kids a much brighter economic future.

So this is not about dollars and cents as much as it is about people, as much as it is about fundamental fairness and,

I might even say, fundamental morality. So I congratulate the gentleman from Ohio (Mr. KASICH) and the gentleman from Connecticut (Mr. SHAYS) for all that they have done over the last several years to dramatically slow the rate of growth in spending, because it is going to mean a brighter future for all Americans.

Mr. SHAYS. Mr. Speaker, I thank the gentleman, and I would just say that this has been a wonderful team effort. We had new players come on the scene and they have made all the difference. Now, I cannot call the gentleman from Minnesota a new player, because the gentleman is in his 6th year. But just think, 6 years ago we saw massive deficits as far as the eye could see and now we are seeing significant surpluses, and our challenge now is to convince our colleagues not to spend all the surplus and make government bigger.

It is not to say we are not spending more money, we are simply targeting it. We are going to spend \$2.2 billion more in elementary and secondary education, a phenomenal increase. We are going to be spending \$6 billion more for farmers, who truly need it. And even someone like myself, coming from an area where we do not have a lot of farmers in the traditional sense, we have some dairy farmers, but we know that is necessary not just for them but for us.

As my colleague was talking about selling the farm, I was thinking that we are also going right after that death tax. And the most compelling reason for our leaving \$200 billion for tax cuts over the next 5 years is to go squarely at the death tax that forces people to sell their businesses in Bridgeport, Connecticut, or in Norwalk or Stamford, Connecticut, when their parents die, to pay the inheritance tax. The businesses then, in a lot of cases, disappear. And it was a viable business. They cannot keep it because they have to pay a 55 percent inheritance tax. Now, we did increase the exemption to \$1 million for farmers and businesses, but most businesses are far in excess of that.

I was at a community meeting just recently and I had someone, after I talked about it, come up with a real life example. He literally had a property that his parents had that he was still living in with his two other siblings. It was sold for \$3 million. A lot of money. And his parents had equity in the market of about another million. So they had \$4 million. And he said by the time they paid the inheritance tax and the lawyers, and the probate court got done, he and his two siblings will get \$400,000 each. They will get 30 percent of the total value of their property. It was property that was earned; it was property where taxes were paid. They owned this property, and basically the government took over 55 percent of that.

So it just tells me that when we talk in kind of a theoretical way about taxes, we have to be mindful that we are really talking about that young individual, and we are talking about what his parents were able to leave and keep in the family. They had to sell the house and they will get a minimal amount. They will get 30 percent out of the total of the value of their property.

Mr. GUTKNECHT. If the gentleman will continue to yield, it is, again, the story of the little red hen. Here we have people who did not help bake that bread who are saying, well, we are entitled to over half of the loaf of bread. And again this is not just about tax policy, it is about fundamental morality.

Clearly, we need tax revenue. We have legitimate things that are needed as a society, whether it is the common national defense, for highways, lots of other needed projects, but any time we see a tax rate that gets above 50 percent, and the gentleman is absolutely correct, very quickly the estate tax gets to 55 percent, that is confiscatory. That is wrong. That is part of the reason people started shooting up at Lexington and Concord. And Americans still have that basic feeling about fairness, and it really transcends things.

Mr. SHAYS. And if we are talking about the concept of fairness, why should a married couple pay more than a couple that is not married in taxes? Why should someone who has earned Social Security and if they go back to working and paying taxes pay an additional penalty due to the Social Security earnings limitation? For every \$3 above that \$17,000, \$1 is taken out of Social Security. That was a matter of fairness. And the third tax cut that we move forward with, why should a corporation be able to deduct health care and a private individual working, self-employed individual, not have that same deduction? In fact, the tax cut that the President vetoed just 2 years ago allowed all Americans to deduct for health care.

So I am just struck by the fact that we have made tremendous progress, we are talking about fairness in taxes, but we are also talking about something else. We are talking about what taxes will help the economy grow.

In 1990, I voted for a tax increase. The one tax increase I voted for, and I learned a big lesson. I voted to increase the luxury tax. And it was interesting, I voted to increase the luxury tax and the government got less money. They got less money because people, who can all make rational decisions, they decided that if the tax was higher, they would buy less, and we got less revenue. Conversely, when we dealt with capital gains, we cut taxes and we got so much more revenue.

So what two better examples. We can raise some taxes and get less revenue; we can cut some taxes and get more,

and we can have the economic engine, that balanced budget agreement of 1997, which has made a world of difference. It has balanced our budget. We are in surpluses. We are no longer spending Social Security. We are able to cut taxes, and we are seeing the economy grow and grow and grow.

Mr. GUTKNECHT. If the gentleman will continue to yield, and going back to the luxury tax, I remember the argument at the time that somehow this would punish people who had made lots of money who were buying expensive boats. Well, it did not punish them at all. It punished the poor people working in the boat yards that built the boats.

Mr. SHAYS. Well, this hits home pretty hard, because they were not poor people. They were middle-income and upper-middle income people who were making boats, having great jobs. It was one of the true indigenous industries in the United States; where we did not have many exports. We were making the product and selling it in the United States. And it, unfortunately, did a lot of damage. A lot of companies went out of business.

Mr. GUTKNECHT. The other analogy about the boats is the story President KENNEDY used, that a rising tide lifts all boats. And if we have some fiscal responsibility, as we have seen in the last 5 years, that by properly managing the budget and by controlling the growth in Federal spending and by allowing families and investors to keep more of what they earned, we have had a much stronger economy. And we have been able to lift a lot of boats out there. And it is not just the people making a million dollars a year, it is an awful lot of those people making \$30,000 and \$35,000 and \$40,000 a year. I see our chairman is back.

Mr. KASICH. I appreciate the gentleman yielding. I just wanted to make the point by saying we are going to pay down a trillion dollars in the publicly-held debt. That is a breathtaking number.

Mr. SHAYS. In the next 5 years.

Mr. KASICH. Over the next 5 years. A trillion dollars in paying down part of this publicly-held debt. Secondly, though, we have got this tax relief, and it does not threaten Medicare or Social Security. Social Security is protected in this bill. Medicare is not only protected but it can be enhanced with the prescription drug program.

So I think what every American ought to know, when somebody says we want to have a tax cut and some politician says, oh no, it is going to threaten Social Security and Medicare, that that simply is not true. We provide for the strengthening of Social Security and Medicare right up front. And once we have done that, we then feel that we should have tax relief.

And we also provide in this budget that if we pass this tax relief but it

does not get signed by the President, that that tax relief, that money does not get used for more spending. That money does not get used for more spending. That money goes to pay down additional debt.

So I think what every American ought to know is to be able to have this kind of a proposal before us this week is something that I think they ought to think about. Do not get caught by a car salesman, a used car—no, I do not want to say that. I was going to say used car salesman. I know more good used car salesmen. Let me say this, do not get trapped by some smooth talking person moving peas under a shell who says we cannot have tax relief because the politicians want to spend it, because they want to spend it, and that we are going to hurt Social Security. We protect Social Security, protect Medicare, pay down debt and have tax relief for all Americans.

I think it is a pretty significant accomplishment. I appreciate the gentlemen taking the time and presenting their arguments. They were outstanding.

A COMMEMORATION OF FAITH AND POLITICS

The SPEAKER pro tempore (Mr. PEASE). Under the Speaker's announced policy of January 6, 1999, the gentleman from Maryland (Mr. HOYER) is recognized for 60 minutes as the designee of the minority leader.

Mr. HOYER. Mr. Speaker, I rise this evening to commemorate and to recall an extraordinary weekend that I and many of my colleagues had the opportunity to spend with our colleague, one of the historic Members of this House. He is probably, I suppose, the most historic Member of this House, the gentleman from Georgia (Mr. LEWIS).

The event that we participated in just a couple of weeks ago was under the aegis of the Faith & Politics Institute, headed up by the Reverend Doug Tanner. Reverend Tanner delivered the prayer, Mr. Speaker, at the opening of this session of the House, and he is here with us on the floor. It was an extraordinary opportunity for many of us to relive with the gentleman from Georgia (Mr. LEWIS) and with others the courage and commitment shown by some Americans so that all Americans would have the right to avail themselves fully of their constitutionally guaranteed right to vote.

We went to Birmingham, Alabama, then to Montgomery, then to Selma, and back to Montgomery. Montgomery, Alabama, is, of course, the capital of Alabama. Birmingham, as I will say briefly, was the site of a confrontation between freedom and evil, between those who would deny other human beings basic rights because of the color of their skin. We see in today's world across the globe that happening too often, where nationalism